

AUDIT SUBCOMMITTEE OF THE LEGISLATIVE MANAGEMENT COMMITTEE

The Audit Subcommittee of the Legislative Management Committee met in Room 250, State Capitol Building, Salt Lake City, Utah, Wednesday, May 11, 2016 from 4:30 p.m. to 5:50 p.m.

Committee Members Present: President Wayne Niederhauser, Co-Chairman
Speaker Gregory Hughes, Co-Chairman
Senator Gene Davis
Senator Ralph Okerlund
Representative Brian King
Representative James Dunnigan

Legislative Audit Staff: John Schaff, Auditor General
Darin Underwood, Deputy Auditor General
Tim Osterstock, Audit Manager
Kade Minchey, Audit Manager
Brian Dean, Audit Manager
Lynda Maynard, Recording Secretary
Leah Blevins, Audit Supervisor
Wayne Kidd, Audit Supervisor
Tyson Cabulagan, Sr Perf Auditor
Matthias Boone, Sr. Perf Auditor

Other Interested Parties: Darin Brush, Executive Director, USOR
USOR Aaron Thompson, Director, Rehabilitation Serv,
Shane Young, Chief Compliance Officer, USOR
Debbie Empey, Director, Internal Audits, USOR
Steve Winn, Director, DSBVI
Stacey Cummings, Deputy Dir., USOR
Greg Paras, Deputy Director, DWS
Casey Cameron, Deputy Director, DWS
Kathleen Bounous, Legis Affairs, DWS
Stephen Jardine, LFA
Ken Hansen, AS
Debbie Davis, USBVE
Marjorie Cortez, *Deseret News*
And Others as Listed

1. Call to Order

President Niederhauser called the meeting to order at 4:30 p.m.

2. Approval of Minutes

Motion: Speaker Hughes made a motion that the minutes from February 1, 2016 Audit Subcommittee meeting be approved. The motion passed unanimously.

3a. A Performance Audit of USOR's Case Management Controls (Report #2016-03)

Presented by: Leah Blevins, Audit Supervisor

Discussion following Presentation

Darin Brush, Executive Director, USOR, introduced Aaron Thompson, Director, Rehabilitation Services. Mr. Brush said the audit is absolutely right and USOR is on target with the recommendations. Mr. Brush also said USOR appreciated the auditors recognizing the work they have done and the suggestion that USOR is on the right course.

Mr. Brush continued by explaining that the recommendations fall into these three categories:

1. Case Documentation - USOR has begun training staff on this issue.
2. Consistent Application of Policy - USOR has hired a Compliance Officer and a Policy Coordinator, whose job it is to update policy and ensure consistency.
3. Quality Control, the Program Evaluation component - USOR has begun to implement the Quality Control program, using their own internal resources, i.e. supervisors and managers. This work was began when the new management formed their management team.

Aaron Thompson, Director, Rehabilitation Services, USOR, responded to questions from the Audit Subcommittee concerning duration of services and the restrictions for putting firm time limits on individual cases. Mr. Thompson explained that USOR serves individuals who have significant disabilities, who are going to need services over a long period to time. USOR has counselors who work closely with special education and have a responsibility to help individuals determine the services need to transition into adulthood, but are unable to set any type of hard limit for services but, USOR has a requirement for annual reviews of their cases.

Motion: Speaker Hughes made a motion that the **Performance Audit of USOR's Case Management Controls** be referred to the Social Services Appropriations Subcommittee as the Lead committee and the Economic Development and Workforce Services Interim Committee. The motion passed unanimously.

3b. A Survey of State Building Management Practices and Cost of Investment Methodologies (Report #ILR2016-D)

Presented by: Wayne Kidd, Audit Supervisor

After a discussion and recommendation of the Legislative Auditor General, it was

decided that any further work on the **Survey of State Building Management Practices and Cost of Investment Methodologies** be suspended, the Audit Subcommittee members agreed.

4. Update on “Lead Committee” Assignments

Darin Underwood, Deputy Auditor General, addressed the practice of having the Audit Subcommittee refer the audits presented to “Lead” committees, requesting them to respond back to the Audit Subcommittee indicating action needed on the audits. Also, these audits are sent to review committees for their information and input.

Mr. Underwood asked the Audit Subcommittee to reassign the **Performance Audit of Culinary Water Improvement District** (Report # 2015-12), issued in December, 2015, from the Government Operations Interim Committee to the Political Subdivision Interim Committee as the Lead Committee. The chairs of the Government Operations Interim Committee do not believe they are the appropriate committee to review this audit as the Lead Committee. The Audit Subcommittee agreed to this change and the following motion was made.

Motion: Senator Davis made a motion that the **Performance Audit of Culinary Water Improvement District** (Report # 2015-12) be referred to the Political Subdivision Interim Committee as the Lead Committee rather than the Government Operations Interim Committee as previously assigned. The motion passed unanimously.

5. Prioritization of Audit Requests

After a discussion of audit requests and the recommendations made in Audit Reports #2016-01, **A Performance Audit of the Board of Pardons and Parole** and Audit Report #2016-02, **A Review of the Administration of 911 Surcharges**, the following motions were made.

Motion: Representative King made a motion that the following audit be approved: Utah Anti-discrimination and Labor Division (UALD).

Substitute Motion: Representative Dunnigan made a substitute motion that the following audits be approved:

- Economic Development Corporation of Utah (EDCU) become a full audit, rather than a survey audit.
- Division of Finance
- USOR “Aspire” Program
- Sex Offender Treatment Program (SOTP), and
- Utah Anti-discrimination and Labor Division (UALD).

The motion passed unanimously.

6. Other Business

John Schaff explained the **Audits-in -Process** report to the new members of the Audit Subcommittee and explained that the names of the requestor of the audits, unless authorized by the requestor to be made public, are protected until such time that the audits have been completed and released. The **Audits-in -Process** report is a public document but the requestor names are protected.

7. Adjourn

President Niederhauser adjourned the meeting at 5:50 pm.